UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information and Records
Washington, D. C.

No. 50

October 27, 1934.

TO FARM JOURNAL EDITORS:

The following information is for your use.

DeWitt C. Wing Francis A. Flood

DeWitt C. Wing and Francis A. Flood,
Specialists in Information.

"TO PROVIDE TO THE UTTERMOST"

Secretary of Agriculture Henry A. Wallace says:

"The feeling that man should live by providing goods for his neighbors, not by withholding goods, goes very deep; and I believe that it is spreading. But the condition of greater balance and justice we now seek, in a capitalistic structure hastily mended, can certainly not be obtained by arranging that everybody work under the profit system except the farmer. The farmer's instinct has always been... to provide to the uttermost, never to deny. This instinct, obeyed by millions of scattered individuals in a society seeking profits and setting prices on a scarcity basis, took our farmers up the long hill...and killed them as customers. Their death as consumers closed thousand of factories and helped to throw millions out of work. Now we are trying to give our farmers their rightful place in a more decent and balanced system, a system that will work democratically and make for neighborliness and a shared abundance."

# # #

SEED CORN OPTION PRICE NOW $1.25 A BUSHEL

Contracts for the optional purchase of between 500,000 and 1,000,000 bushels of seed quality corn, to be selected from corn sealed on farms under Commodity Credit Corporation loans, will call for payment for such corn at the rate of $1.25 a bushel, on exercise of options, as announced October 27 by the Adjustment Administration.

It is expected that the contracts will be in the field within the next few weeks. The plan for optioning sealed corn, as a measure to prevent unsealing and feeding valuable seed stocks, originally placed the option price at $1 a bushel.

Under the seed corn conservation plan, the Adjustment Administration will select cribs of seed-quality corn in such States as South Dakota, Kansas, Minnesota and Missouri, where the seed corn situation is most serious, and where reports indicate that the supply of 1933 sealed corn suitable for seed may be threatened by the demand for feed.

Producers holding corn that meets specifications for seed quality and is held under storage conditions that will preserve its qualities, will be offered an option contract which provides that in return for an advance of 20 cents a bushel, such seed will be held for sale to the Adjustment Administration at $1.25 a bushel, on or before May 1, 1935. The option may be exercised by the Administration to acquire the corn, or in case of local demand for seed, producers may obtain written authority to sell the corn to private individuals, for seed use only.

Producers negotiating optional sale of their sealed corn will have received a total of 75 cents a bushel, including the 55-cent loan from the Commodity Credit Corporation, and the 20 cents advance from the Adjustment Administration. The Commodity Credit Corporation will act as fiscal agent of the Administration in the seed corn conservation plan, disbursing the option advances to farmers from an allocation of $500,000 made to it by the Adjustment Administration for this purpose.

# # #

FODDER STOVER SIGN-UP CLOSES NOVEMBER 10

The Agricultural Adjustment Administration has set November 10 as the closing date for signing applications and agreements for the harvesting and sale of corn-fodder and corn-stover.

Under the agreements, producers apply for allotments of corn-stover and upon granting the allotment, the Adjustment Administration agrees to purchase such quantities within the allotments as may remain unsold on farms on or after April 1, 1935, at prices fixed in the agreements. Quantities of corn-stover and corn-fodder thus allotted are listed with the Kansas City feed agency.

Under the program, more than 500,000 tons of corn-stover and corn-fodder that would not ordinarily have been conserved is listed with the Federal Livestock Feed Agency in Kansas City as available for drought areas.

Officials stated that November 10 represents the latest date believed advisable, as no more corn-fodder will be cut after that time, and all producers with stover or corn-fodder available will then have had ample time to sign agreements.

In addition to corn-stover and corn-fodder, approximately 1,000,000 tons of available hay have been listed with the Kansas City office, according to reports received by the Adjustment Administration.

It is expected that a report classifying the various kinds and the location of livestock feeds listed as available for purchase by producers in drought areas will be made next week.

# # #

DROUGHT LIVESTOCK PURCHASES TO OCTOBER 22

While the Adjustment Administration is progressing with feed and seed conservation plans, expenditures certified to October 22 for the purchase of cattle in drought areas reached $86,615,717 and expenditures for the purchase of sheep and goats certified through the same date totaled $1,692,175.

Vouchers certified for these payments represent purchase and benefit payments in connection with the acquisition of 6,405,299 cattle and 847,430 sheep and goats.

Through October 22 the purchase of 6,871,566 cattle in 24 states had been reported. These purchases constitute 30.2 per cent of the inventory of cattle on the 566,149 farms selling cattle to date. The heaviest percentage of sales to inventory is in North Dakota, where it is reported that 51.1 percent of the total inventory on farms has thus far been sold under the emergency plan. The smallest percentage of sales, on the basis of the inventory of farms selling, occurs in Oregon and Nevada, where approximately 9.5 per cent of the cattle have thus far been sold.

Through October 22 approximately 3,088,465 ewes and 146,527 goats had been purchased in 17 states.

The purchase of cattle and sheep, by states, to October 22 are given in the following table:

State	CATTLE			SHEEP	
	Total Farms Selling	Number of Cattle Bought to Date	% Of Inventory of Farms Selling	Farms Selling	Number Bought
Arizona	2,221	74,902	14.9	52	4,434
Arkansas	26,689	87,914	25.9	--	-----
California	1,346	18,676	12.5	135	19,731
Colorado	11,869	208,775	24.6	704	152,529
Florida		16,335			
Idaho	3,576	29,797	20.4	605	114,324
Illinois	1,111	2,534			
Iowa	4.092	18,656	20.4		
Kansas	38,695	481,722	30.5	85	7,956
Louisiana	8,341	27,805	22.5		
Minnesota	42,460	241,016	30.2	377	4,588
Missouri	87,358	441,900	34.9	352	4,419
Montana	13,788	322,468	43.7	1,858	455,082
Nebraska	50,928	411,549	17.3	222	24,378
Nevada	722	25,514	9.5	235	80,513
New Mexico	11,635	401,661	26.3	948	215,073
North Dakota	60,638	943,020	51.1	399	23,522
Oklahoma	25,230	415,702	44.5		
Oregon	977	11,178	9.4	552	164,797
South Dakota	51,928	849,858	42.5	2,217	150,212
Texas	81,136	1,445,537	26.5	7,340	936,616
Utah	17,669	96,330	24.3	1,426	155,212
Wisconsin	15,805	53,971	17.5		
Wyoming	7,935	244,746	28.0	1,615	585,089
TOTALS	566,149	6,871,566	30.2	19,122	3,088,465

Of the cattle purchased, 5,782,942 have been donated to the Federal Surplus Relief Corporation to October 22. More than 4,000,000 of these have been shipped for slaughter, while 1,372,000 have been shipped to pasture in non-drought areas.

# # #

WARNED AGAINST ASSIGNING CATTLE-SHEEP BENEFITS

Livestock producers selling cattle or other livestock to the Adjustment Administration under the emergency cattle agreements and emergency livestock agreements, with respect to the purchase of sheep, have been warned that assignment of or contracts to transfer benefit or service payments received from such sales cannot be legally enforced. Such action is in violation of the terms of the agreements.

The Adjustment Administration issued the warning after complaints had been received that in some instances farmers' creditors, although waiving all claims to benefit or service payments in return for being named as joint payees for the purchase payments, were asking producers to sign separate agreements or through other devises were attempting to require producers to assign or contract to pay over benefit or service payments.

Two separate payments are made in connection with emergency purchases of drought cattle, or drought sheep and goats. One, a "purchase payment," is subject to claims of any lienholders against the livestock, and the other, a "benefit payment" in the case of cattle, or a "service payment" in the case of sheep or other livestock, goes direct to producers, and under the terms of the agreement is not subject to any claims of lienholders.

Both cattle agreement and the livestock agreement specifically protect the farmer against the pressure of over-anxious creditors who may insist that the producer assign or contract to pay over benefit or service payments. Under instructions issued to county agents, checks for these payments are delivered only to producers. The producer agrees, under paragraph (3) of the cattle agreements and paragraph (c) of the livestock agreement:

> "Not to sell or assign, in whole or in part, this agreement or his right to or claim for the benefit payment under this agreement, and not to execute any power of attorney to collect such payment or to order that such payment be made. Any such sale, assignment, order, or power of attorney shall be null and void."

Before cattle, sheep or goats upon which liens are held can be sold, holders of liens must sign the agreement. In so signing lienholders waive any claims to benefit payments or service payments agreeing not to bring suit or proceedings to have such payments applied to any claim or debt, in consideration of the application upon the claims of the purchase payments made under the agreement with the Secretary of Agriculture.

Officials of the Adjustment Administration in charge of drought cattle and sheep purchase program, state that any reported cases in which assignment of benefit or service payments has been pressed, will be promptly investigated. Complaints regarding alleged violation of the agreement in this respect should be filed with the regional field audit offices of the Agricultural Adjustment Administration handling the certification of payments in the state in which the complaint originates. Field offices, the auditor in charge, and the states which they serve, are as follows:

Office	States Served
St. Paul, Minnesota O. H. Stung 210 New Postoffice Bldg.,	Minnesota Montana North Dakota South Dakota Wisconsin Wyoming
Kansas City, Missouri D. B. Smith, 230 E. 9th St.	Arkansas Colorado Kansas Missouri Nebraska New Mexico Oklahoma Texas
San Francisco, California J. L. DeMuras, 525 Santa Marina Bldg., 112 Market St.	Arizona California Idaho Nevada Oregon Utah
Chicago, Illinois M. C. McIntosh 506 S. Wabash Ave.,	Florida Illinois Iowa Louisiana
Denver, Colo. (Sheep and Goats) D. J. Harrill, 916 Patterson Bldg.,	California Colorado Kansas Missouri Montana Nebraska Nevada New Mexico Oregon South Dakota Texas Utah Wyoming

# # #

BEET SUGAR GROWERS' ADJUSTMENT PROGRAM

A program for United States beet sugar growers for 1934 and 1935, designed to increase their 1934 income by about $15,000,000 over what they would otherwise get has been announced by Chester C. Davis Administrator of the Agricultural Adjustment Act, with the approval of Secretary of Agriculture Henry A. Wallace. The program may be extended to 1936, at the discretion of the Secretary.

Sugar-beet growers who sign the production adjustment contract will receive an advance payment of $1 a ton on their normal yield times their acres planted in 1934 and a final payment of not less than 25 cents a ton which will guarantee them parity price for their actual 1934 production of their normal yield times their planted acres, whichever is higher. In addition to which, a tax refund is to be paid on that part of their individual 1933 beet production unsold as sugar on June 8, 1934.

The Agricultural Adjustment Act, as amended by the Costigan-Jones Amendment, assures to sugar beet growers approximately 24 per cent of the national market for sugar. The benefit contract guarantees them a parity return on their production provides for 1934 benefit and other payments to producers of approximately $15,000,000 and partially insures them against the effects of drought, infestation, or other natural calamity.

Approval of the production adjustment contract is the final preliminary step before actually offering the contract to growers.

The sign-up campaign began with a series of regional meetings held in the principal beet areas by John E. Dalton, chief of the sugar section. The schedule of these meetings now is being worked out. First benefit checks are expected to go to growers not later than December 1.

The program, affecting approximately 100,000 growers in 17 states, is an integral part of the general sugar program being developed by the sugar section. This program is undertaken under authority of the Costigan-Jones Amendment to the Agricultural Adjustment Act, in which Congress embodies the recommendations of the President last spring. The sugar beet program is being developed concurrently with the adjustment program for domestic cane producers and with the programs for the Territory of Hawaii and the insular areas of Puerto Rico and the Philippine Islands.

The contract provides for a parity return to growers on their beet production in 1935, and in 1936 if the program is continued for that year. Also growers who planted beets in 1934 will receive parity payments on their estimated production for this year, based on the acreage planted and the average yields, or upon their actual production, whichever is higher.

The Costigan-Jones legislation also specified that where imposition of the floor stocks tax on unsold beet sugar from the 1933 crop resulted in a decreased return to growers, refunds were to be made to growers who sign benefit contracts with the Secretary of Agriculture. This refund on 1933 sugar is estimated at $2,600,000.

Despite the fact that drought and other factors are estimated to have reduced this year's production more than 30 per cent below the record crop of 1933, the income of growers from beets this year under the adjustment program will be brought up to within about $3,000,000 of the $58,600,000 income received from last year's record crop. The program will mean that growers will get about $15,000,000 more than they would get if they had to sell their present small crop in open competition with off-shore sugars at current prices without the protection of any program.

"This is the best plan of crop income insurance for drought-stricken beet area we have been able to devise under the law," Mr. Davis said.

Chief beneficiaries of the adjustment payments will be growers in Colorado, California, Michigan, Nebraska, Utah, Idaho, Montana, Wyoming, Ohio, Indiana, Wisconsin, Minnesota, Iowa, North Dakota, South Dakota, Kansas, and Washington.

For administrative purposes, the program is based on the factory district as a unit. The acreage allotment of each individual grower for 1935 plantings is to be worked out on the basis of his average past production and will represent his pro rata share of the acreage which has been allotted to the growers in his district. The factory district is to be the unit of administration. As in other programs of the Adjustment Administration, matters affecting producers locally are to be handled by production control associations. Representatives of the sugar section are to represent the Secretary in matters pertaining to processors. Where districts overlap, they may be combined.

The total of the first installment of the benefit payments, at the rate of $1 a ton on the 1934 acres times normal yields, is expected to be approximately $10,000,000. The second installment at the rate of at least 25 cents a ton on the estimated 1934 production is to be in such amount as will give the producer a parity payment on his actual production, or his estimated production, whichever is greater.

Under the Costigan-Jones Amendment, the marketing quota for sugar produced from domestic sugar beets was established at 1,550,000 short tons. This amount, plus a small increment, was divided among the domestic processors by the Secretary of Agriculture. Starting from this definitely established quota, the beet problem is one of dividng equitably among growers the acreage necessary, under normal yields, to produce this quota. This is done through using the district as a basis for initially allocating the national acreage, and then allocating the district acreage to growers on the basis of their past experience.

The sugar beet program is the only one thus far undertaken by the Adjustment Administration in which it is possible to assure the grower fair exchange value upon his full production.

In addition to parity payments on actual production, the contract provides for 1935 and 1936 deficiency payments as partial crop insurance on that portion of a grower's planted acreage which has to be abandoned because of widespread storm, drought, frost, or similar natural calamity.

To effectuate the policy of Congress, as expressed in the Agricultural Adjustment Act, as amended, with respect to working conditions in the beet fields, the contract holds provisions with respect to labor.

The contract prohibits the employment of children for work in the fields under 14 years of age, and limits the labor of employed children between 14 and 16 years of age to 8 hours a day. These provisions covering employment do not apply to the children of the grower.

Under the provisions of the contract, minimum wages for 1935 and 1936 may be prescribed by the Secretary in districts where such action is deemed necessary. Due notice and opportunity for hearing will be given all producers and laborers before such wages are established. Prior to receiving the final 1934 payment, the producer must indicate that he has met all bona fide claims for wages arising from the 1934 beet crop. The Secretary is also authorized to adjudicate labor disputes.

The total national marketing allotment for beet sugar of 1,550,000 short tons has been distributed among the 27 beet sugar producing companies in the United States. These marketing allotments, which are expressed in terms of bags of refined sugar, then are translated after adjustments into terms of acreage allotments for each beet district. Finally, this acreage is divided equitably among the growers in each district.

Under the contract, each cooperating grower agrees, in consideration of the benefit payments, to plant only his pro rata share of the acreage which has been alloted to the district in which he grows beets. For each district, this total acreage is limited to a figure between 90 and 100 per cent of the 1933 acreage. In the case of individual allotments, however, variation from 1933 may exceed 10 per cent.

"Because complete past records of production and acreage for all the growers in each factory district already have been furnished to the sugar section, it is expected that the work of completing contracts will be comparatively rapid," Mr. Dalton explained.

From available records on his past production, each grower will be given hsi choice of one of four options to determine what is known as his base acreage. This base acreage may be one of four averages, as follows:

a. FIVE-YEAR AVERAGE: Average planted acreage for 1930, 1931, 1932, 1933, and 1934, if beets were planted in 1933 and/or 1934.

b. FOUR-YEAR AVERAGE: Average planted acreage for 1931, 1932, 1933, and 1934, if beets were planted in 1933 and/or 1934.

c. THREE-YEAR AVERAGE: Average planted acreage for 1932, 1933, and 1934, if beets were planted in 1933 and/or 1934.

d. TWO-YEAR AVERAGE: Average planted acreage in 1933 and 1934.

For any producer who plans to begin production of sugar beets in 1935 or in 1936, and for whom none of the above options are applicable, opportunity may be offered to sign a contract in the future, and his base acreage will be determined by the Secretary of Agriculture.

After each farmer in a district has selected the option which will give him the most advantageous base acreage, these acreages are totalled and compared with the acreage allotted to that district. If the total is more or less than the allotted district acreage, then each grower agrees to a pro rata adjustment of his acreage necessary to make the total allotment for the district, which is to be between 90 and 100 per cent of the 1933 planted acreage.

The advance benefit payments can be made to growers before this adjusted acreage is worked out, as the advance payments for 1934 are based on the actual planted 1934 acreage and the "representative yield" of the producer. This representative yield is to be the producer's average yield of a period not less than 3 years. For producers who wish to enter into contracts in 1935 and 1936 their base acreage will be determined by a method to be approved by the Secretary of Agriculture. The representative yield per acre, multiplied by the acreage planted for 1934 results in the estimated production for 1934, upon which the grower will receive benefit payments. Final benefit payments for 1934, to be made about July 1, 1935, are to be based upon beets actually produced or upon planted acres times "representative yield," whichever is higher.

As a result of this method of making benefit payments for 1934 it is expected that much of the loss suffered by growers from drought on the crop they planted this year can be made up. Despite the big cut in this year's crop due mostly to drought, it is expected that the farm income of beet growers as a whole will be brought nearly up to that of 1933, when growers harvested the largest crop on record. Beet growers of the nation in 1933 harvested 11,030,000 tons of beets, and the gross income from the crop was computed at $58,651,000. This year, growers are expected to receive in the form of benefit payments, processing tax refunds, and market returns from their crop a total income from beets estimated at $55,600,000. The average price per ton was $5.32 last year.

This maintenance of income, despite the drought, may be illustrated for a single state by the estimates for Colorado, the leading producing area, of sugar beets. Colorado beet farmers in 1933 received $13,140,000 for their crop. Colorado production for this year was estimated on September 1 at 1,770,000 tons. If sold at an average rate of about $5.42 a ton, this would give Colorado farmers a 1934 income from beets of approximately $9,600,000.

Although Colorado farmers planted 204,000 acres of beets this year, drought has reduced their yields. However, under the terms of the contract, they will receive benefit payments of approximately $3,100,000, tax refunds of 700,000 and market income estimated at $9,600,000 to result in an estimated income of $13,400,000 for 1934, or $300,000 more than they received last year when they produced a bumper crop.

Likewise, it is estimated that for other sugar beet producing states, drought losses will be made up in whole or in part through parity payments. The

following table indicates by states the best present estimates on the amount, the processing tax refunds, the benefit payments, the 1934 market return and 1934 and 1933 income to growers:

State	Refund Payments on Floor Stock Tax	Estimated 1934 Benefit Payments	Estimated Returns from 1934 Crop	Estimated Total Income from 1934 Crop and Payments	Estimated 1933 Income from Beets
California	222,316	1,765,004	7,452,500	9,439,820	8,899,000
Colorado	724,817	3,106,512	9,593,400	13,424,729	13,140,000
Idaho	312,099	785,349	1,707,300	2,804,748	4,394,000
Michigan	134,161	1,480,437	5,083,960	6,698,558	7,439,000
Montana	243,248	1,033,965	3,528,420	4,805,633	4,400,000
Nebraska	280,308	1,254,123	3,539,260	5,073,691	5,335,000
Ohio	6,710	639,292	1,788,600	2,434,602	1,968,000
Utah	347,256	950,319	1,365,840	2,663,415	4,560,000
Wyoming	117,983	772,200	2,065,020	2,955,203	3,024,000
Others	250,800	1,309,581	3,761,480	5,321,861	5,472,000
U.S.	$2,639,698	$13,096,782	$39,885,780	$55,622,260	$58,651,000

American beet growers could not have expected higher prices from the drought this year. Unlike other domestic agriculture commodities, sugar is imported in large volume and the supplies in the off-shore areas have been larger in 1934 than in 1933. If the quota provisions of the Act were not effective, more sugar would have been available for the domestic market than in previous years and prices would have tended to be lower.

The Costigan-Jones Amendment to the Agricultural Adjustment Act, established quotas for the domestic beet and cane producers and directed the Secretary of Agriculture to determine quotas for the Territory of Hawaii, the insular possessions and foreign countries. As a result of the establishment of these quotas, each of these areas has been given its fair share of the American market and consequently in 1934 sugar in excess of market requirements has not been brought into the United States.

The sugar program with its accompanying benefits is being financed through a processing tax of one half cent a pound on sugar. This has been accomplished without increasing the cost to the consumer for this program by a corresponding lowering of the tariff on sugar from 2 to 1-1/2 cents a pound.

# # #

FIELD DISBURSING OFFICES FOR SUGAR PROGRAM

In order to facilitate the payment of benefits under adjustment contracts signed by sugar beet and sugarcane growers, disbursing offices of the Adjustment Administration will be established in Denver, Col., East Lansing, Mich., New Orleans, La., and San Juan, Puerto Rico.

The offices are to be established as soon as contracts are signed by farmers and ready for payment, according to John E. Dalton, chief of the sugar section of the Adjustment Administration. It is expected that the establishment of the field offices will materially reduce the time elapsing between forwarding of contracts and payment of benefit payments.

The Denver office will handle payments for the western sugar beet states; the East Lansing office will be for sugar beet growers in the eastern states; the New Orleans office will handle payments on sugarcane adjustment contracts, and the San Juan office will handle payments on Puerto Rican cane adjustment contracts.

# # #

CUBA'S DIRECT CONSUMPTION SUGAR QUOTA REACHED

The Adjustment Administration has announced that the quota for imports of direct-consumption sugar from Cuba for the current calendar year, established by the Secretary of Agriculture under the Jones-Costigan Act in June, 1934, amounting to 418,385 short tons raw value, had been reached.

The Jones-Costigan Act provides that the quantity of direct-consumption sugar which may be brought from Cuba into the United States for consumption in any calendar year may not exceed 22 per cent of the total Cuban quota of raw and refined sugars. This total for 1934 was fixed at 1,901,752 tons in June, 1934.

# # #

COTTON OPTIONS EXCEED $51,000,000

Cotton producers who accepted options on government-owned cotton as part payment for participating in the 1933 cotton adjustment program had been paid a total of $51,016,815.46 through September 30, John B. Payne, Comptroller of the Agricultural Adjustment Administration, has reported. This money has been paid to producers under two methods of exercising the options, with $12,074,070.57 going to farmers who selected the direct sale of cotton method, and $38,942,744.89 to those who exercised their options by participation in the cotton producers' pool.

The following tables show the payments to producers by states under the two methods:

Payments made to Producers on Account of Exercise of Options by Sale of Cotton through September 30, 1934

State	Payments
Alabama	$ 637,003.28
Arizona	123,400.98
Arkansas	588,282.83
California	144,423.28
Florida	17,307.25
Georgia	1,019,607.60
Kansas	1,862.06
Kentucky	183.78
Louisiana	264,766.21
Mississippi	676,035.80
Missouri	93,969.85
New Mexico	55,068.47
North Carolina	943,312.33
Oklahoma	2,237,279.33
South Carolina	698,297.33
Tennessee	192,141.71
Texas	4,326,140.45
Virginia	54,988.03
Total	$12,074,070.57

Payments made to Producers on Account of Exercise of Options by Participating in Cotton Producers' Pool through September 30, 1934

State	Payments
Alabama	$ 3,396,638.50
Arizona	187,222.88
Arkansas	4,463,772.08
California	78,992.24
Florida	62,441.00
Georgia	3,451,683.70
Kentucky	22,357.00
Louisiana	2,135,462.00
Mississippi	5,198,587.07
Missouri	468,580.32
New Mexico	228,107.32
North Carolina	1,309,564.80
Oklahoma	2,239,898.10
South Carolina	3,001,863.30
Tennessee	1,170,611.76
Texas	11,475,113.28
Virginia	51,849.54
Total	$38,942,744.89

# # #

POSITION OF THE UNITED STATES IN WORLD COTTON MARKET

Studies made by the Department of Agriculture indicate that the United States is better equipped for cotton production, from the standpoint of land, labor, ginning, transportation, storage and marketing facilities, additional capital and climate than any other nation.

"We have no notion of giving up our position of supremacy," says Cully A. Cobb, chief of the Adjustment Administration's cotton section. "Our policy is to keep the supply of American cotton adjusted to effective demand both for domestic consumption and export. The United States will have at all times a supply sufficient to meet all foreign demands at prices which producers can afford to take."

In Egypt, where the largest acreage increases were made in 1933, the 1934 acreage is probably less than that planted in 1933, and further material expansion in Egypt is not expected. China has increased acreage in each of the last three seasons, but the 1934-35 crop is estimated to be smaller than the crop of the 1918-19 season. Acreage increases in China are limited by land requirements for food and by inadequate transportation facilities.

India produced a larger crop of cotton in the 1913-14 season and in the 1914-15 season than in the 1933-34 season. The expansion of acreage in India is limited by land requirements for food and also by low yields and returns from cotton.

The records show that Russia produced 1,512,000 bales in 1915-16 and only 1,889,000 bales in the 1933-34 season. Further increases are expected to be slow in Russia. Further material increases in Brazil would be handicapped by a shortage of labor.

A review of the foreign cotton situation leads to the conclusion that foreign cotton acreage in 1934 probably will not be materially above foreign acreage in 1933, yet there still remains a large surplus of foreign cotton to be used, probably the largest supply on record. Because of this surplus some restriction in foreign demand for American cotton may be expected.

# # #

SOUTHERN RICE DISCOUNT SCHEDULES REVISED

A revision of certain differentials in the schedule of discounts for rice under the marketing agreement and license for the southern rice industry has been announced by the Adjustment Administration. The changes, contained in an order affecting the agreement and an amendment to the license issued by Secretary Wallace, were made to reflect more closely the market value of long grain rice in the minimum price schedules established by the marketing agreement and license.

Under the agreement and license, minimum prices to producers are fixed by the Secretary of Agriculture for number one grade, prime A milling quality rice of each variety, and millers are to compute minimum prices for lower grades in accordance with a schedule of discount differentials. The Secretary is given authority by the agreement to adjust differentials when necessary.

The revised schedule for the agreement and the amendment to the license became effective October 1. Officials of the rice section stated that the changes are on a basis which will not tend to block the movement of rice by creating unduly high minimum prices, but at the same time will bring the minimum prices for grades affected more closely into balance with minimum prices for other grades.

In the new schedule for heat damaged kernels the discount has been changed, as it has been pointed out that old discounts were heavier than those in use during the 1933-34 season, and were larger than warranted. Also, the term "trade" no longer carries a discount, because as used by the United States Standards, it designates a quantity practically undetectable in rice, and brings no price penalty.

The schedules, as revised, compared with previous schedules are:

HEAT DAMAGED KERNELS

U. S. GRADE	Previous Discounts	Revised Discounts
No. 1	2%	0%
No. 2	4%	2%
No. 3	8%	4%
No. 4	10%	8%
No. 5	13.5%	12%
No. 6	17.5%	15%

RED RICE (Long Grain Rough Rice)

U.S. GRADE	Percentage allowed for grade	Previous Discounts	Revised Discounts
No. 1	To .5%	0%	
No. 2	.65 " 1.5% inc.	1%	1%
No. 2	1.6% " 2.5% "	2%	2%
No. 3	2.6% " 3.8% "	5%	5%
No. 3	3.9% " 5% "	7%	7%
No. 4	5.1% " 7.5% "	9%	9%
No. 4	7.6% " 10% "	13%	11%
No. 5	10.1% " 12.5% "	15%	13%
No. 5	12.6% " 15.1% "	17%	15%
No. 6	15.1% " 17.5% "	19%	17%
No. 6	17.6% " 20% "	25%	19%

It will be noted no modification of discounts is proposed for grades above No. 4. An analysis of grade certificates covering several hundred thousand barrels of rice during the 1933-1934 season clearly indicated that rice grading No. 4 or lower for this grade factor was almost invariably subject to discounts for other grade factors to an extent whereby minimum values, as indicated, were below real relative values. As a result, throughout the marketing season, such rices were especially sought by buyers, and it is probably this has been contributory to the situation wherein an undue proportion of the carry-over is of better grades.

MILLING QUALITY (HEAD RICE) FOR THE VARIETIES FORTUNA, CAROLINA, AND NO. 2702 (NIRA)

U. S. Grade (Special Designation)	Yield Required For Grade		Previous Discounts	Revised Discounts
Prime	75 lbs.		0%	0%
Good	74 "		5%	1%
Good	73 "		5%	2%
Good	72 "		5%	3%
Good	71 "		5%	4%
Good	70 "		5%	5%
Medium	67-69 "	inc.	10%	7%
Medium	65-66 "	"	10%	9%
Fair	62-64 "	"	15%	11%
Fair	60-61 "	"	15%	13%
Ordinary	57-59 "	"	20%	15%
Ordinary	55-58 "	"	20%	17%

MILLING QUALITY (HEAD RICE) FOR THE VARIETY EDITH

U. S. Grade (Special Designation)	Yield Required for Grade		Previous Discounts	Revised Discounts
Prime	85 lbs.			
Good	84 "		5%	1%
Good	83 "		5%	2%
Good	82 "		5%	3%
Good	81 "		5%	4%
Good	80 "		5%	5%
Medium	77-79 "	inc.	10%	7%
Medium	75-76 "	"	10%	9%
Fair	72-74 "	"	15%	11%
Fair	70-71 "	"	15%	13%
Ordinary	67-69 "	"	20%	15%
Ordinary	65-66 "	"	20%	17%

WEED SEEDS (INSEPARABLE)

U. S. Grade (Special Designation	Percentage allowed for grade	Previous Discounts	Revised Discounts
Not Seedy	0.1%	0%	0%
Slightly Seedy	0.5%	5%	3%
Seedy	.6% to 1% inc.	12%	6%
Seedy	1.1% " 2% "	12%	9%

Copies of the order and the amendment to the license may be obtained from the office of the Chief Hearing Clerk, Agricultural Adjustment Administration, Washington, D. C.

# # #

SOUTHERN RICE PRODUCERS' COMMITTEE NAMED

The personnel of the producers' committee, to function in the operation of the amended marketing agreement and license for the southern rice industry, was recently announced by Acting Secretary of Agriculture, W. R. Gregg. The committee, selected by the Secretary of Agriculture in accordance with the terms of the marketing agreement and license, consists of seven members to serve until July 1, 1935.

The committee has the following membership: R. E. Short, Wheatley, Ark.; C. C. Cox, Stuttgart, Ark.; L. C. Trousdale, Houston, Texas; C. P. Duson, El Campo, Texas; Harry Chalkey, Lake Charles, La.; P. B. Wright, Gueydan, La.; and M. W. Scanlon, Church Point, La.

The committee is empowered under the agreement and license to act as intermediary between the Secretary of Agriculture and the rice producers operating under the agreement, and between the rice millers and producers. It will investigate and report upon any suspected violation, and may adjudicate, subject to appeal to Secretary, all disputes and complaints against operation of the agreement as it affects the interests of the growers. The committee also will cooperate with the Secretary and the millers committee on questions concerning the importation of rice. The personnel was selected with a view toward balanced representation for the various elements of the rice industry.

# # #

INCREASED PRICES TO MILK PRODUCERS IN BOSTON AREA

Answering a question from an editor, the following tabulation shows the average net prices received by producers in the Boston sales area for all milk, including base milk and excess milk, during the first 4½ months of the operation of the Boston milk license, as compared with the same period of the previous year. The prices used are those received by producers in the 191-200 mile zone, which is approximately the center of the milk shed. The prices are net per 100 pounds received by producers for all milk:

Month	1933	1934
March 16-31	$ 1.12	$ 1.79
April	1.13	1.70
May	1.15	1.60
June	1.35	1.59
July	1.45	1.75

Since deliveries by producers during the 4½ months under the license have exceeded 2,500,000 pounds a day, the total increase in the net income of producers during the 4½ months as compared with the same period in 1933 is in excess of $1,500,000. A small part of this increase is accounted for by a slightly higher Class 2 price most of the time, due to higher prices for butter and cream as compared with last year. The remainder of the increase is attributed to the higher net Class 1 price to producers which has resulted from the license.

The following table shows the net prices per 100 pounds received by non-members of associations for base and excess milk for each period since the base ratings went into effect on May 1, 1934. The prices shown are those received by producers for milk delivered directly to a distributor's city plant and for milk delivered to a country receiving station in the 191-200 mile zone:

Period	Delivered to City Plant			191-200 Mile Zone	
	Base		Excess	Base	Excess
May 1 to 15	$ 2.70	(5.8¢ per qt.)	$ 1.07	$ 2.14	$ 1.03
May 16 " 31	2.66	(5.7¢ " ")	1.05	2.06	1.00
June 1 " 15	2.66	(5.7¢ " ")	1.07	2.07	1.02
" 16 " 30	2.75	(5.9¢ " ")	1.07	2.15	1.02
July 1 " 15	2.84	(6.1¢ " ")	1.04	2.25	.99

The foregoing information is from "A Handbook for Producers", dated August 1, 1934, prepared in the office of the Market Administrator of the Boston license.

# # #

PUERTO RICO CITRUS AGREEMENT TENTATIVELY APPROVED

A marketing agreement for the Puerto Rican citrus industry has been tentatively approved by the Secretary of Agriculture, and is being sent to shippers for their signatures.

The agreement would provide for U. S. inspection and grading, and volume prorate and regulation of the shipment of inferior grades. Under the agreement allotments would be made to growers and shippers in accordance with the fruit controlled by them in relation to the total available crop of Puerto Rico as estimated by the United States Department of Agriculture.

The allotments so made would conform to any allotments which may be made by the national stabilization committees for grapefruit and oranges. Special provisions allow that if at any time the quantity of fruit available for shipment exceeds the shipping space available, the control committee may allocate space to shippers in accordance with their allotments of fruit. During any period when proration is not in effect allocation of space may be made to each shipper according to the available quantities for shipment by all shippers.

The agreement also provides for control of shipments of inferior grades, and the control committee may issue orders prohibiting the shipment of grades below U. S. No. 2, from the Island.

The control committee would consist of five growers to be selected at a general election. In the election of two members each grower would case one vote for himself and all persons associated with him. The remaining three members would be elected by a vote cast by the grower for himself and all his affiliates, but each of the votes cast for these three members would be weighted according to the volume of fruit produced by the voter and his affiliates during the preceding year.

If a member of the control committee is not selected at this election the Secretary may select a member to serve until such time as an election is held.

# # #

AAA CONTINUES NEUTRAL IN NEW YORK POULTRY DISPUTE

The Adjustment Administration has announced that it would continue to take a neutral stand in the dispute between the members of the live poultry industry of New York City and the Kashruth Association concerning the Rabbinical supervision of Kosher slaughtered poultry.

The announcement follows consideration by the Adjustment Administration of whether there should be included in the live poultry code for the New York area a provision covering Rabbinical supervision. The poultry code for the New York area is in effect under the National Recovery Act, but the administration of the code in so far as the trade practice provisions are concerned, is under the jurisdiction of the Adjustment Administration.

In a recent report to Mayor LaGuardia of New York, the Adjustment Administration expressed the opinion that "as a matter of administrative policy it would be distinctly unwise" to insert a provision in the code concerning Rabbinical supervision and further "that as a legel matter such provision would undoubtedly be held to be invalid."

It was pointed out that "the entire problem of Rabbinical supervision, which is the basis of the dispute between the Kashruth Association and members of the live poultry industry, raises an issue which is entirely a religious one. The problem does not have as its basis any economic relation to the declared policy of the National Industrial Recovery Act. The opinion of the Adjustment Administration is therefore that it would not be pursuant to the declared policy of the said Act to include in the live poultry code a provision which is solely a religious issue."

Also, the Adjustment Administration said, "the code cannot contain a provision assessing the members of the industry for moneys which would be used for payment to a private unofficial association which would not be subject to governmental supervision or control; nor would such funds be used for the enforcement of the provisions of the code. The Adjustment Administration has included provisions in other codes for assessments of members of the industry only where such assessments were necessary for the administration and enforcement of the provisions of the code; the administration and expenditures of such funds in all cases have been subject to very careful governmental supervision and control."

In conclusion, it was stated that "it should be perfectly clear that the Agricultural Adjustment Administration has a very vital interest in the administration of the live poultry code. The present dispute between the Kashruth Association and the members of the industry threatens the successful administration of such code. The possible boycott which has been suggested would necessarily result disadvantageously to the producers and consumers of poultry. The Administration feels that it would be most unfortunate if any plan is put into force for which the cost will exceed what is absolutely necessary to carry into effect an adequate supervision system."

In the event that members of the industry and the Kashruth Association cannot amicably settle their dispute, the services of the Adjustment Administration are available at the request of both factions concerned, it was said.

# # #

THE EGG MARKET SITUATION IN OCTOBER

According to the October 26 Market News Service of the Bureau of Agricultural Economics, the market on fresh eggs in October was featured by a sharp drop in receipts and a rapid rise in prices, particularly on the better grades. The market on storage eggs, however, was inclined to drag, and any effort to make other than a moderate advance was tempered by only a nominal demand at the higher levels.

Apparent consumption showed slightly more than the usual seasonal improvement from that of September. Data available on the trade output of the four principal markets--New York, Philadelphia, Boston and Chicago-- for the first three weeks indicated a decrease of about 7 per cent from that of the corresponding three weeks of last year. For September the trade output of these markets was almost 25 per cent smaller than a year earlier. Although the downward trend in storage stocks was not so rapid as desired generally by owners of storage eggs, withdrawals on the whole showed a reasonable improvement over those of September, and brought a slightly steadier sentiment into the storage situation.

Prices of white eggs from the Pacific Coast and nearby Eastern production areas advanced to the highest level in October since 1932. From October 1 to October 23 quotations at New York on the best grade advanced 8-8$\frac{1}{2}$ cents compared to an advance of 1/2 cents during the same period last year. The advance on Mixed Colors from the Middle West was more moderate, amounting to only 5 cents on the top grades and 2 cents on the lower grades, compared to a gain of 1$\frac{1}{2}$ cents and a decline of 1 cent, respectively, a year earlier. At this time (October 25) prices on white eggs are 5 cents higher than a year ago, and Mixed Colors 3 to 4$\frac{1}{2}$ cents higher. Storage eggs have shown only a fractional advance since the first of the month, but are from 4$\frac{1}{2}$ to 5 cents higher than a year ago.

After allowance is made for the usual seasonal changes the general supply situation is not greatly different from that of a month ago, except that the scarcity of white eggs indicates a very sharp decline in production on both the East and West Coasts, while slightly more plentiful supplies from the Middle West point to some improvement in the trend of production in that general area.

Usually, Mixed Colors compete to a greater extent with storage eggs than do the top grades of white eggs, and the more liberal receipts of the former in the past few weeks has to some degree offset the effects of the smaller stocks of shell eggs in storage. Most of the Middle Western States included in the general drought area experienced a sharp cut in production during June, July and August, but under the influence of more temperate weather conditions production showed a more normal relation to that of the same months last year during September and October than did the three preceding months. It is expected, though, that the coming of cold weather and the general shortage of feed in most of the Middle Western States will tend to lower production in that section.

Eggs in cold storage on October 1 amounted to 6,803,000 cases of shell eggs and 99,881,000 pounds of frozen eggs, compared to 7,466,000 cases of shell eggs and 93,769,000 pounds of frozen eggs on the same date last year.

Stocks of shell eggs and frozen eggs, combined on a case egg equivalent basis as of October 1, amounted to 9,657,000 cases, compared to 10,128,000 cases on October 1 last year, and 10,017,000 cases for the five-year average. Reduction in shell egg stocks during September equalled 1,135,000 cases, about 23

per cent less than the reduction of 1,478,000 cases during September last year.

Reduction in stocks of frozen eggs in September was, however, about 30 per cent larger than in the same month last year, amounting to 12,113,000 pounds compared to 9,267,000 pounds a year earlier.

As a result of the smaller stocks of storage eggs this year, and also a fresh egg production that is less than that of a year ago, the demand for frozen eggs particularly has been especially active during the past two to three months.

The sharp reduction in record-breaking stocks of frozen eggs since the first of August has proved heartening to holders of cold storage stocks of both shell and frozen eggs, and, at present, the tendency seems to be to hold such stocks a little more firmly, in the expectation that quotations will work materially higher before the end of the year.

# # #

AGRICULTURAL EXPORT FACTS

In reply to an editor's question, it may be said that our exports of cotton, wheat (including flour) and pork products, and the total dollar value of these exports in the years which he mentions, are as follows:

Year	Cotton (volume)	Wheat (Volume - including flour)	Pork Products (volume - Including bacon, ham, Shoulders, and lard)	Total Value
	Bales	Bushels	Pounds	Dollars
1910	7,097,000	63,597,000	628,233,000	$ 1,035,700,000*
1915	8,359,000	279,539,000	1,241,867,000	1,035,700,000
1920	6,111,000	311,601,000	1,434,172,000	3,452,300,000
1925	8,362,000	138,784,000	1,156,288,000	2,136,200,000
1928	8,546,000	151,976,000	1,008,000,000	1,863,100,000
1929	7,418,000	154,348,000	1,104,446,000	1,692,900,000
1930	6,474,000	149,154,000	859,439,000	1,200,700,000
1931	6,849,000	125,686,000	691,954,000	821,400,000
1932	8,916,000	82,118,000	630,377,000	662,400,000
1933	8,532,000	27,512,000	679,241,000	694,400,000

*For the year 1910 the figures represent the averages of the 1910-1914 fiscal years. For the basic agricultural commodities named in the Agricultural Adjustment Act, the base period is August, 1909, to July, 1914, for all these commodities except tobacco, for which the base period is August, 1919, to July, 1929.

# # #

FARM POPULATION IN THE UNITED STATES

There was a decrease in farm population in the United States every year from 1922 to 1930 except in 1925. During these 9 years our total farm population decreased 5 percent. Since 1930, however, it has increased approximately 8 percent, being 32,509,000 on January 1, 1934. This figure does not include that large group of people who live in small towns and in the open country but on tracts of land too small to be classed as farms. Many people of this group grow large quantities of food for home consumption. No doubt this group has also increased since 1930, but no figures are available as to just what change has taken place.

The increase in the farm population in the geographic divisions to which the cotton states belong has been about the same as or little greater than for the United States as a whole. This increase in farm population and in that group of people living in the open country on units of land too small to class as farms may have significance from the standpoint of agriculture from two points of view: (1) The increase in the number of farms and farmers and thereby an increase in commercial crops and (2) a reduction in the consumer demand for agricultural commodities. So far as the cotton grower is concerned, the first of these may have serious consequences unless some form of cotton production control is maintained.

The following table shows the farm population of the United States on January 1 of the indicated years:

1910	32,076,960
1920	31,614,269
1921	31,703,000
1922	31,768,000
1923	31,290,000
1924	31,056,000
1925	31,064,000
1926	30,784,000
1927	30,281,000
1928	30,275,000
1929	30,257,000
1930	30,169,000
1931	30,585,000
1932	31,241,000
1933	32,242,000
1934	32,509,000

# # #